

Economic and Fiscal Impacts of a New State-of-the Art Stadium in Santa Clara:

New Home of the San Francisco 49ers

Presented to:

The City of
Santa Clara

April 10, 2007



- CSL Firm Overview
- Summary of Methodology
- Assumptions Summary
- Economic Impacts
- Summary

- **CSL Principal and Director of sports facilities practice**
- **Over 15 years of public assembly facility feasibility study experience**
- **Big Four public accounting and consulting experience**
- **Consulted on over 350 sports public assembly facility projects**
- **Extensive experience in San Francisco Bay Area**
- **Conducted similar analyses for the City of St. Louis, City of Houston, Nassau County, State of Connecticut, Jets/Giants, Cowboys, Colts, Cardinals**



CSL Background

- **Founded in 1988**
- **Over 500 studies performed involving a multitude of services:**
 - **Economic and Fiscal Impact Analysis**
 - **Developer Selection**
 - **Market Analysis**
 - **Operational Reviews**
 - **Financial Analysis**
 - **Funding Analysis**
 - **Valuation Analysis**
 - **Business Plans**
 - **Marketing Strategies**
- **12 consultants dedicated solely to the public assembly facility industry**
- **Over 150 years of collective experience**
- **Unmatched experience**
- **Comprehensive study methodologies**
- **Knowledge of the marketplace**
- **Independent, unbiased research and analysis**



CSL Background

Professional Stadium Experience

New Stadium

Dallas Cowboys
Dallas, Texas

The Coliseum

Tennessee Titans
Nashville, Tennessee

Invesco Field

City of Denver
Denver, Colorado

Qwest Field

Seattle Seahawks
Seattle, Washington

Joe Robbie Stadium

Miami Dolphins
Miami, Florida

University of Phoenix Stadium

Arizona Cardinals
Glendale, Arizona

Georgia Dome

Atlanta Falcons
Atlanta, Georgia

Lambeau Field

Green Bay Packers
Green Bay, Wisconsin

Arrowhead/New Stadium

Kansas City Chiefs
Kansas City, Missouri

RCA Dome/New Stadium

Indianapolis Colts
Indianapolis, Indianapolis

Metrodome/New Stadium

MFSC
Minneapolis, Minnesota

Louisiana Superdome

State of Louisiana
New Orleans, Louisiana

Ford Field

Detroit Lions
Detroit, Michigan

Giants Stadium/New Stadium

New York Giants
East Rutherford, New Jersey

Cleveland Browns Stadium

City of Cleveland
Cleveland, Ohio

Alltel Stadium

City of Jacksonville
Jacksonville, Florida

Raymond James Stadium

Tampa Bay Buccaneers
Tampa, Florida

Solider Field

City of Chicago
Chicago, Illinois

RFK Stadium

Washington Redskins
Washington, DC

Edward Jones Dome

City of St. Louis
St. Louis, Missouri

Qualcomm Stadium

San Diego Chargers
San Diego, California



Project Overview

- **CSL retained by San Francisco 49ers**
- **Primary focus was to evaluate potential economic impacts related to development of a new stadium in the City of Santa and Santa Clara County**
- **Various impacts evaluated including:**
 - **Direct spending**
 - **Total economic activity**
 - **Personal earnings**
 - **Jobs**
 - **Taxes**





Summary of Methodology

Economic Impact Analysis

Methodology

Direct spending represents the first round of quantifiable spending and includes team revenues, spending by fans before and after home games and visiting team expenditures.

Total output represents the total direct, indirect and induced spending effects generated by the operations of the 49ers and the new stadium.

Personal earnings represent the wages and salaries earned by employees of businesses associated with or impacted by the operations of the 49ers and the new stadium.

Employment represents the number of full- and part-time jobs generated by the 49ers and the stadium from the direct and indirect spending.

Fiscal Impacts represent State and local taxes generated as a result of direct, indirect and induced spending resulting from the operations of the 49ers and the stadium.

Sources of Direct Spending

In-Facility

- Tickets
- Concessions
- Merchandise
- Parking
- Premium Seating
- Advertising

Out-of-Facility

- Hotel
- Restaurants/Bars
- Retail
- Entertainment
- Transportation

Other

- Performer Spending
- Sponsorships
- Television
- Radio
- Licensing
- Internet

Direct Spending Adjustments

Gross Project Spending

- | | | | | |
|--------------|--------------------|-----------------|---------------------|---------------------|
| ▪ Materials | ▪ Tickets | ▪ Concession s | ▪ Transit | ▪ Personal Services |
| ▪ Supplies | ▪ Rent | ▪ Retail | ▪ Suites/Club Seats | ▪ Media |
| ▪ Labor | ▪ Lodging | ▪ Entertainment | ▪ Adv./Sponsorships | ▪ Other |
| ▪ Prof. Fees | ▪ Restaurants/bars | ▪ Parking | ▪ Naming Rights | |



Initial Direct Spending Adjustment

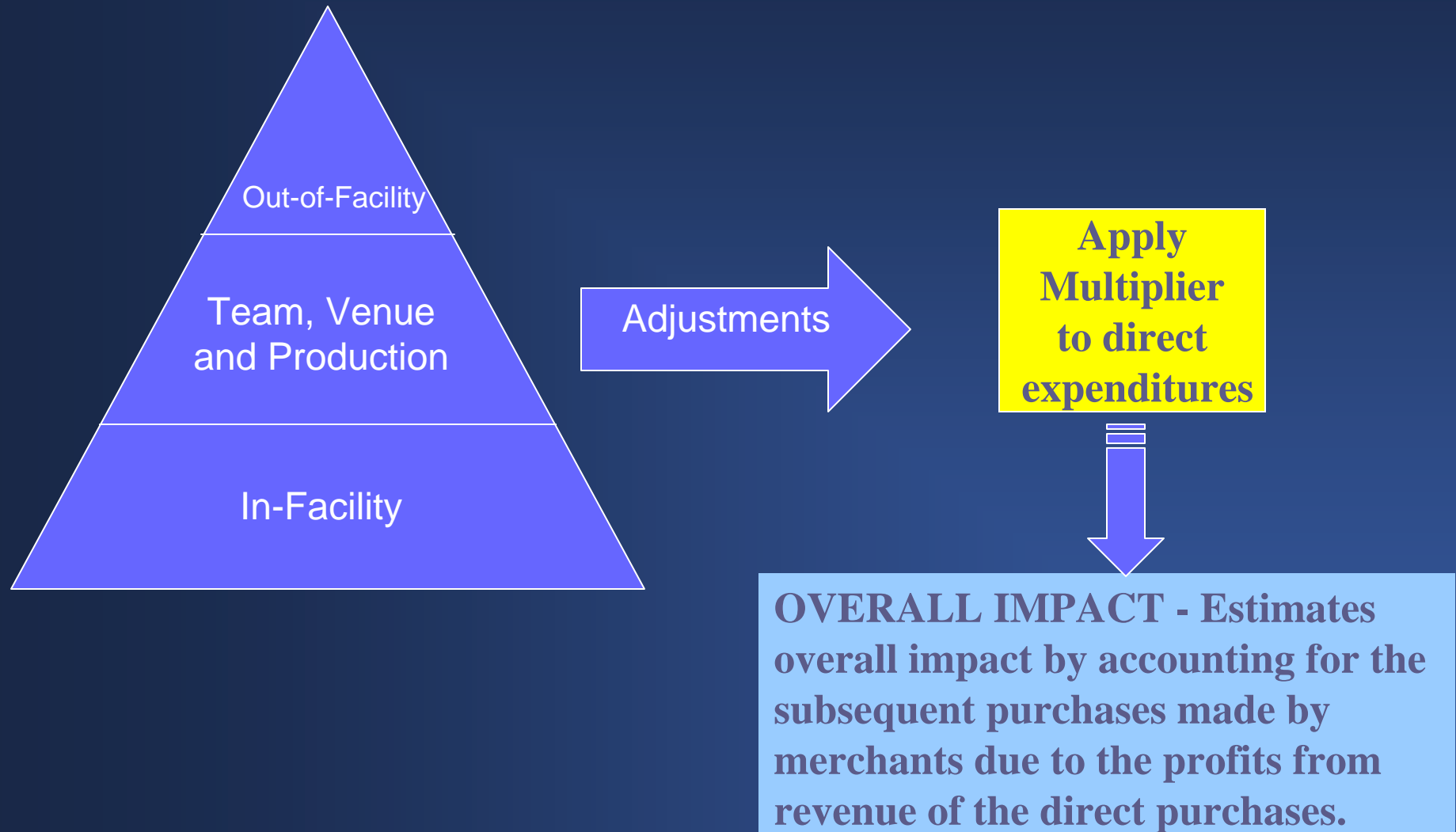
Adjustments are made to exclude spending that does not impact the local economy or spending that occurs outside the County/City.

Adjusted Direct Spending

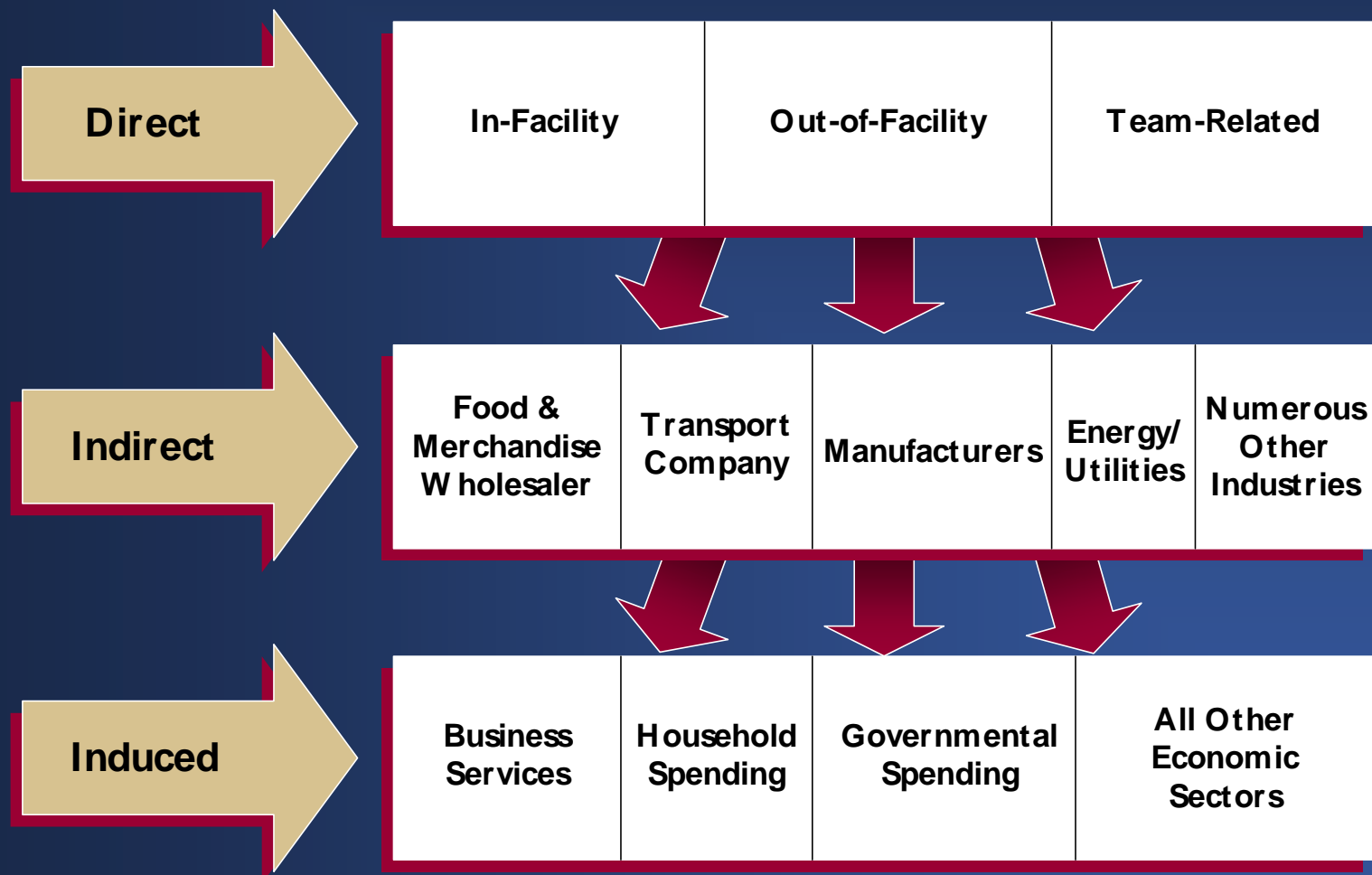
Represents portion of gross spending occurring in the City / County

Economic Impact Analysis

Methodology



Multiplier Effect





Assumptions Summary

Assumptions Summary

Recurring Stadium Events

Event Events/Year

Concerts	3
Soccer	2
College Football	1
Bowl Game	1
Motor Sports	1
Festivals	3
Parking Lot Events	3
Other Events	3

Total 17

Total Attendance 1.2 million



Super Bowl

- One every 10 years
- 72,000 average attendance
- Newest Stadium on the west coast
- Actual impact per the Detroit CVB - \$261 million
- Invaluable impressions worldwide of Santa Clara



Assumptions Summary

Adjusted Spending

- Gross Spending adjusted to reflect the fact that not all spending takes place locally and a portion of the initial local spending immediately leaves the local economy.

Demographic Variable	City	County
Population	110,771	1,773,258
Total EBI (in 000's) ⁽¹⁾	\$2,765,258	\$47,476,338
Total Retail Sales (in 000's)	\$2,564,421	\$29,243,722
Corporate Inventory ⁽²⁾	359	2,481

Total Spending Adjustment:

County: 73%

City: 88%



Assumptions Summary

Construction

Project Costs (in millions)

Total Project Cost	\$727.3
Amount Materials	\$284.7
Amount Labor	234.1
Other	208.5

Percent Spent Locally

% Spent in Santa Clara County:

Materials	14.8%
Labor	30.0%

% Spent in City of Santa Clara:

Materials	2.6%
Labor	0.4%



Economic Impacts



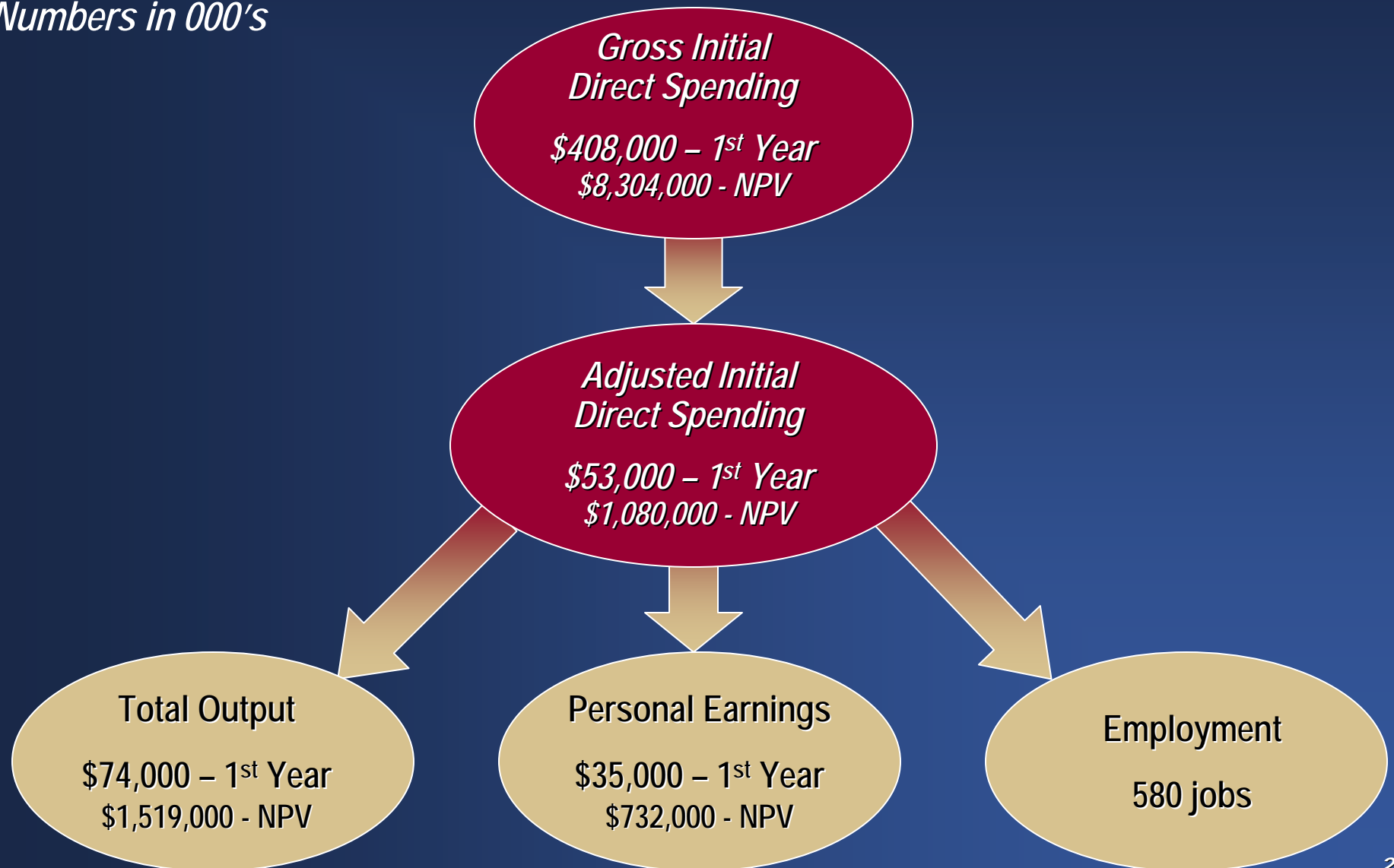
Economic Impacts

Construction Impacts

	<u>City</u>	<u>County</u>
Direct Spending	\$8,100	\$112,000
Total Output	\$10,000	\$164,000
Personal Earnings	\$5,300	\$80,000
Employment	90	1,350
Sales Tax Revenues	\$79	\$985

Numbers in 000's

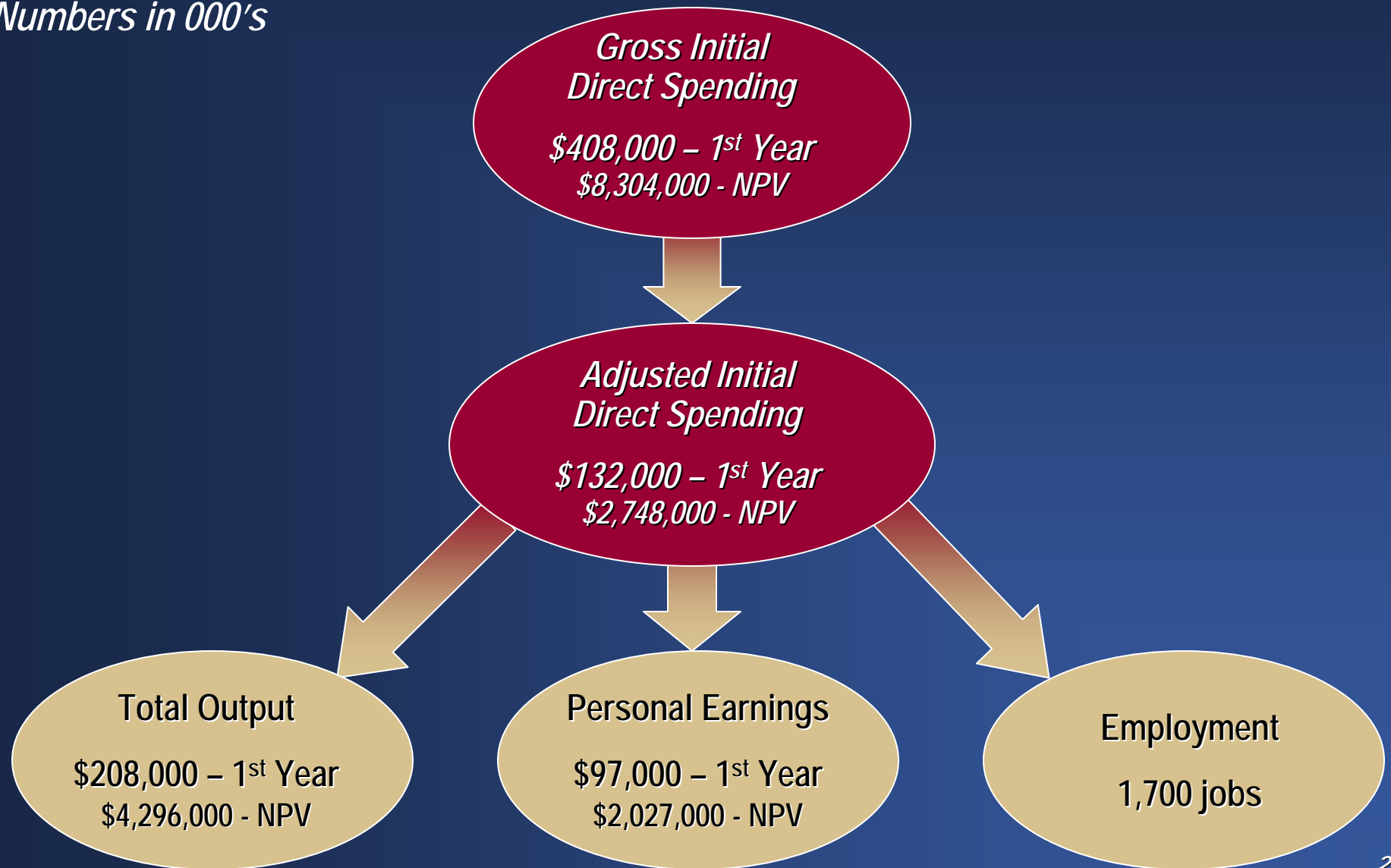
Numbers in 000's



Economic Impacts

49ers Events – County Impacts

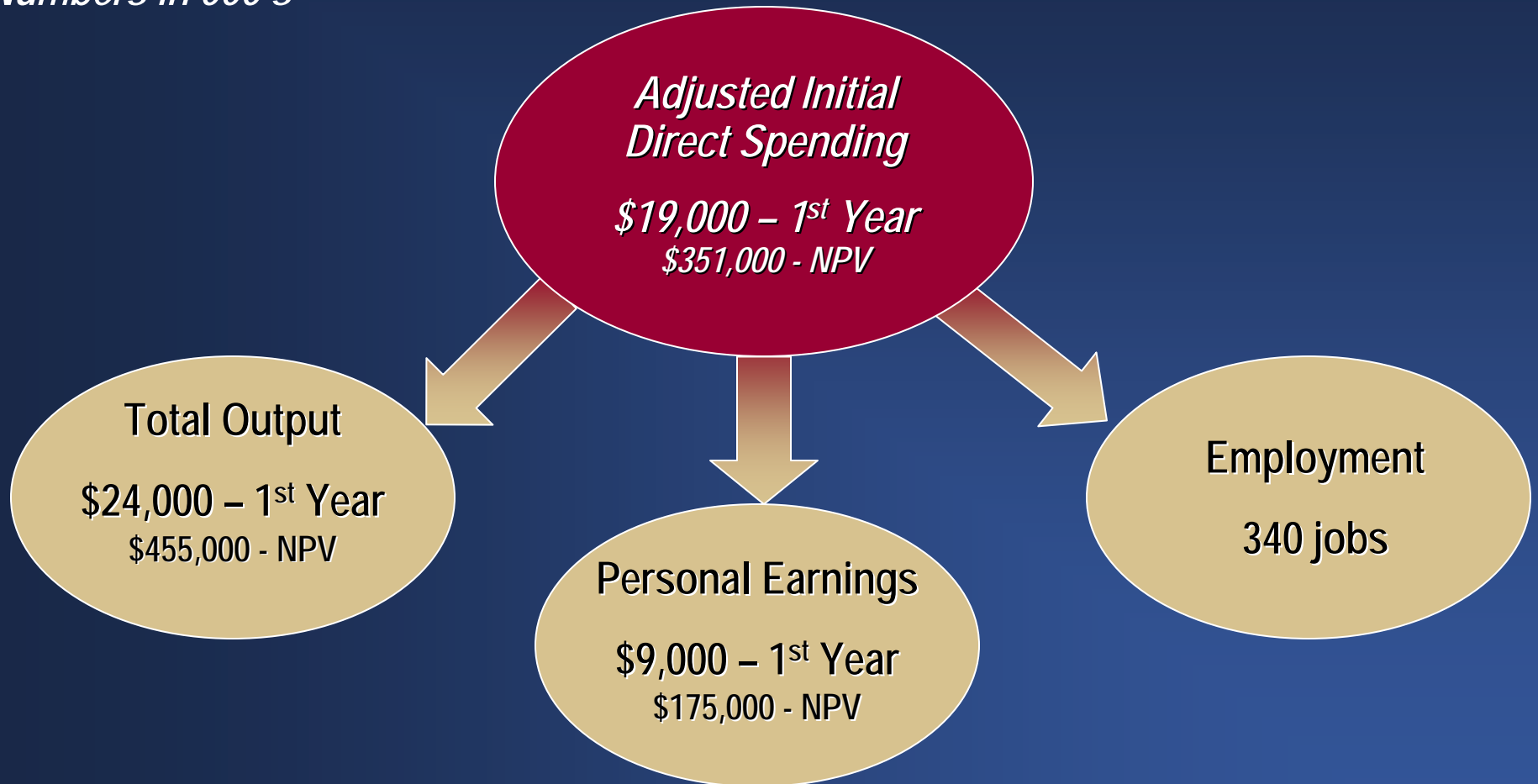
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Economic Impacts

Recurring Events – City Impacts

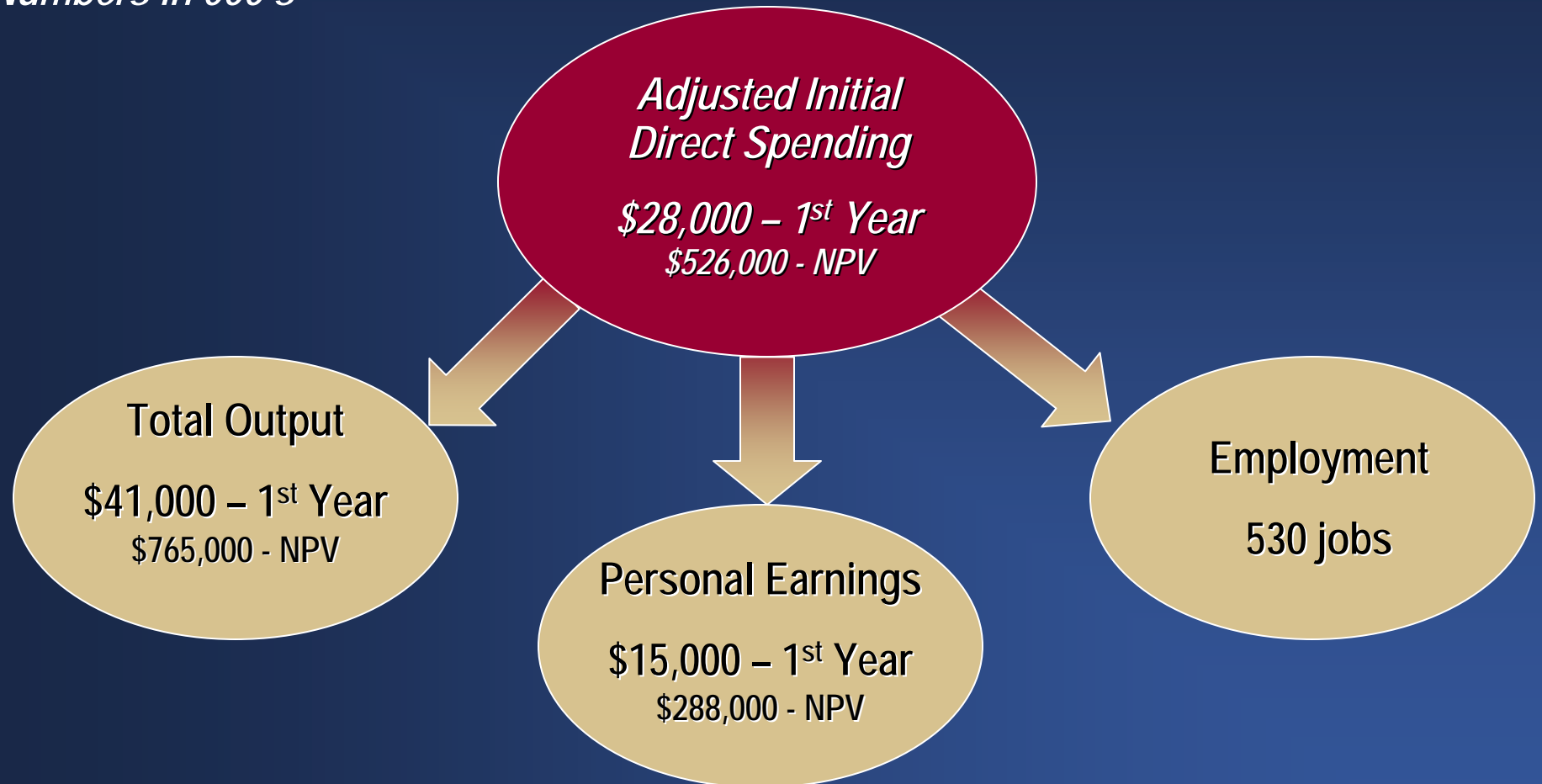
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Economic Impacts

Recurring Events – County Impacts

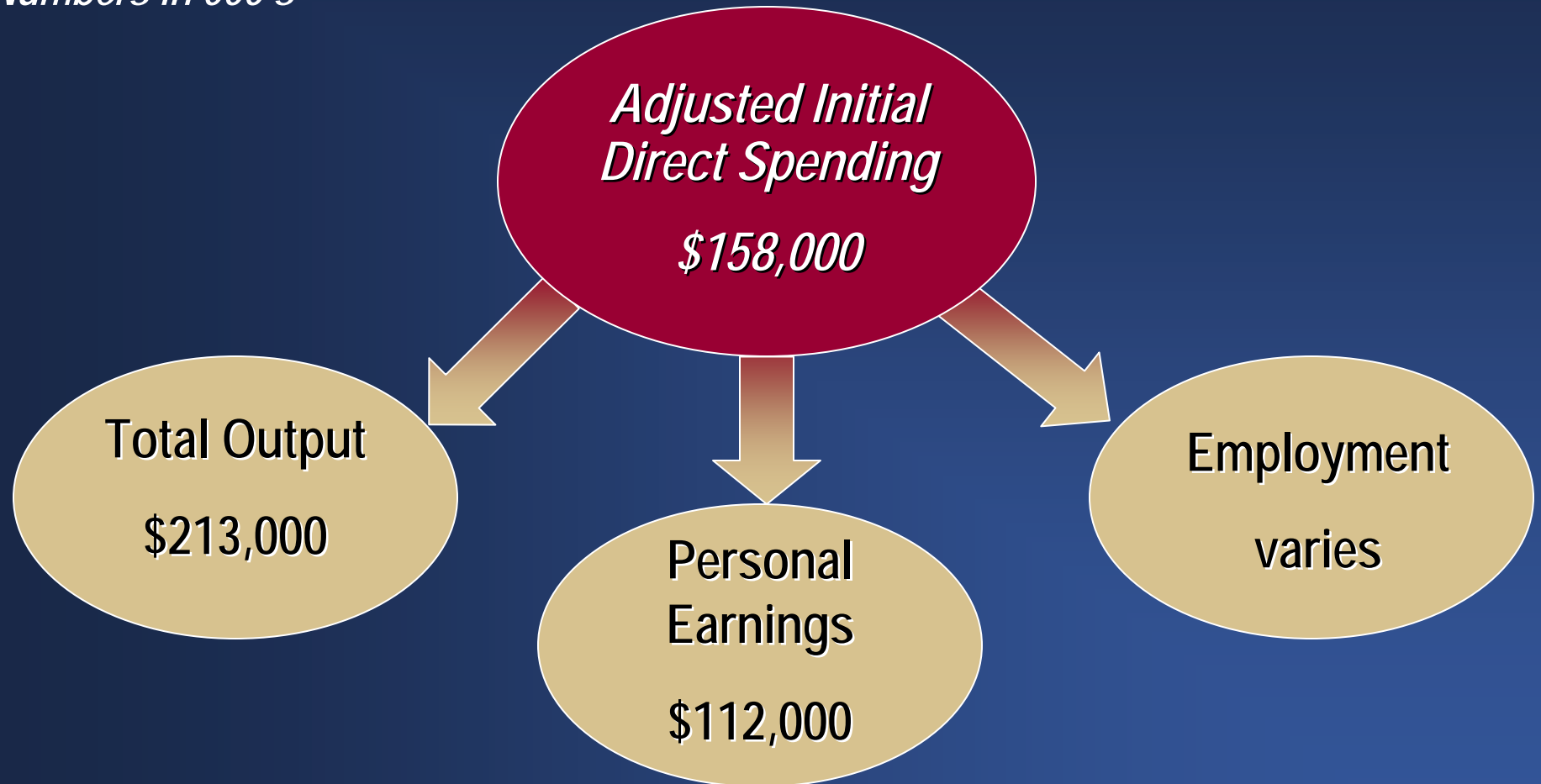
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Economic Impacts

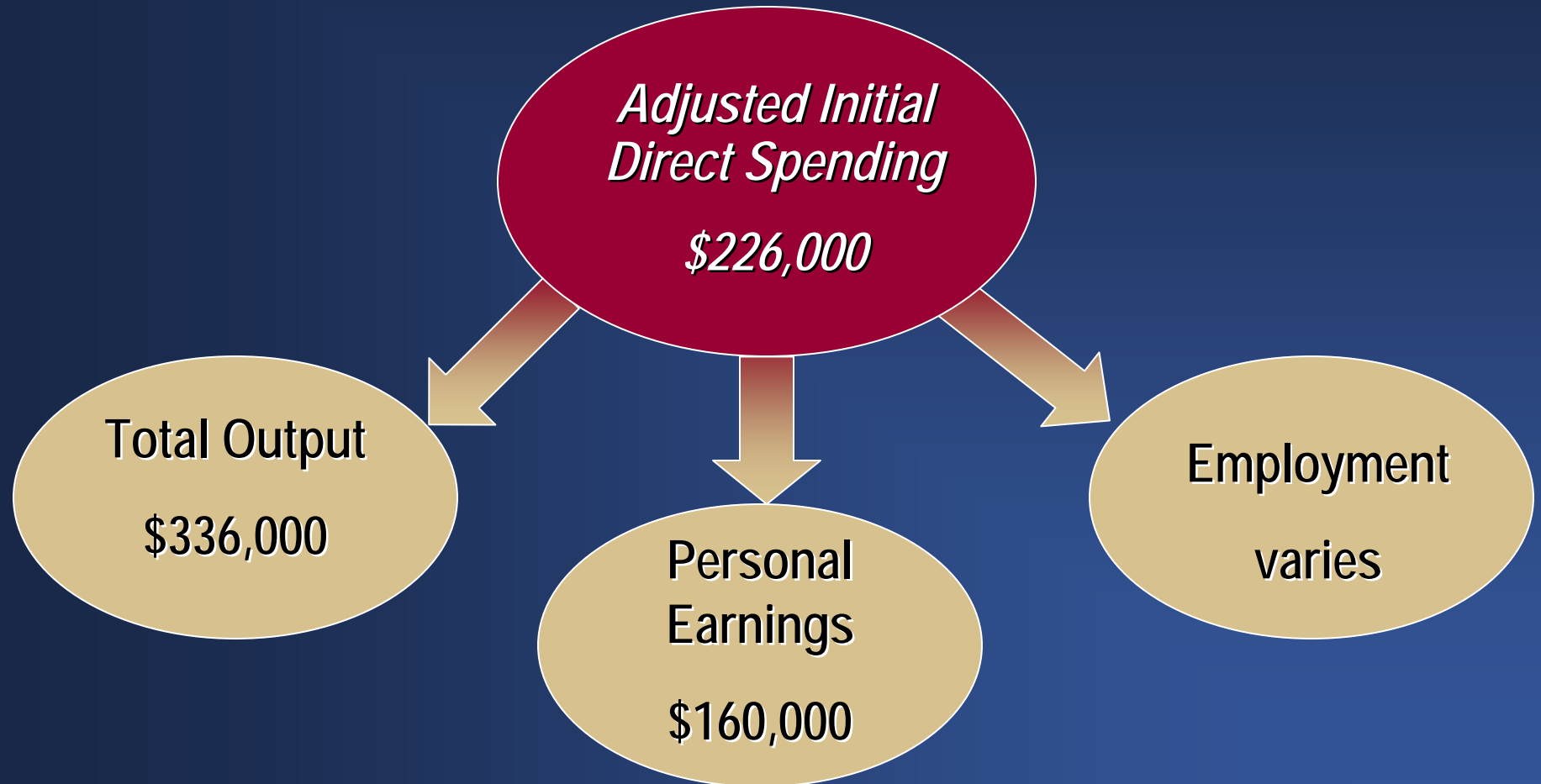
Non-Recurring Events – NPV of City Impacts

Numbers in 000's



Economic Impacts

Non-Recurring Events – NPV of County Impacts



Numbers in 000's



Economic Impacts

All Events – City Impacts

1 st Year	Adjusted Direct Spending	Total Output	Personal Earnings	Employment
49ers Games	\$53,000	\$74,000	\$35,000	580
Recurring Events	19,000	24,000	9,000	340
High Profile Events	0	0	0	0
Total	\$72,000	\$98,000	\$44,000	920

30 Year NPV

49ers Games	\$1,080,000	\$1,519,000	\$732,000	580
Recurring Events	351,000	455,000	175,000	340
High Profile Events	158,000	213,000	112,000	0
Total	\$1,589,000	\$2,187,000	\$1,019,000	920

Numbers in 000's



Economic Impacts

All Events – County Impacts

1 st Year	Adjusted Direct Spending	Total Output	Personal Earnings	Employment
49ers Games	\$132,000	\$208,000	\$97,000	1,700
Recurring Events	28,000	41,000	15,000	530
High Profile Events	0	0	0	0
Total	\$160,000	\$249,000	\$112,000	2,230

30 Year NPV

49ers Games	\$2,748,000	\$4,296,000	\$2,027,000	1,700
Recurring Events	526,000	765,000	288,000	530
High Profile Events	226,000	336,000	160,000	0
Total	\$3,500,000	\$5,397,000	\$2,475,000	2,230

Numbers in 000's



Economic Impacts

Fiscal Impacts

	1 st Year	NPV
State Taxes		
Sales	\$5,300	\$124,000
Personal Income	3,000	66,000
Franchise	<u>1,100</u>	<u>23,000</u>
Total State Taxes	\$9,400	\$213,000
County Sales Tax	\$1,600	\$37,000
City Taxes		
Sales	\$500	\$11,000
Transient Occupancy	<u>300</u>	<u>7,000</u>
Total City Taxes	\$800	\$18,000
Prop 172 Sales Tax	\$500	\$12,000
Total Tax Revenues	\$12,300	\$280,000

Numbers in 000's

- Enhance the Santa Clara area's national and international image
- Provide state-of-the-art facilities for patrons and users
- Enhance community pride, self-image, exposure and reputation
- Improve the possibility of attracting corporate relocations and continued market growth
- Enhance economic growth and ancillary private sector development spurred by the operations and activities associated with the Stadium
- Diversify consumer-oriented activities for area families and individuals attending events
- Provide assets that augment the community's convention center, international airport, attractions and accommodations

- The construction of a new state-of-the-art stadium would have an immediate impact on the employment industry in the County and City over the next few years
- The operations of a new stadium would have significant and measurable impacts on the City and County
- The stadium would provide the area with a key asset to market the City and County
- The City would receive invaluable exposure from the project
- The stadium could be a catalyst for future development in the area and the impacts from this type of development have NOT been included



Q&A
